

WATER AND WASTEWATER INFRASTRUCTURE FUNDING



Enprotec / Hibbs & Todd, Inc. (eHT)

December 2017

TOPICS

- Discuss Example Projects that Can Be Funded
- Discuss Major Funding Programs
- Review Information Needed to Identify Projects

WHAT CAN BE FUNDED?

➤ Major Repairs, Upgrades to New Technologies, Increases (or Decreases) in Capacity

➤ **Water Treatment Plant Improvements**

- Repair or Replacement of Intake or Raw Water Pumps
- Repair or Replacement of Clarifiers
- Repair (replace media, repair underdrains, etc.) of Filters or Replacement with Membrane Filtration Technology
- Addition of Polishing Technologies – Reverse Osmosis, Granular Activated Carbon, etc.
- Repair or Replacement of High Service Pumps
- Repair or Replacement of Finished Water Clearwells
- Replacement of Chemical Feed Equipment (Tanks, pumps, etc.)
- Repair or Replacement of SCADA system

WHAT CAN BE FUNDED?

➤ Major Repairs, Upgrades to New Technologies, Increases (or Decreases) in Capacity

➤ **Wastewater Treatment Plant Improvements**

- Repair or Replacement of Influent Lift Pumps
- Repair or Replacement of Screens
- Repair or Replacement of Grit Removal System
- Addition of Flow Equalization System
- Repair or Replacement of Aeration Basins and Aeration Equipment (Blowers, Mixers, etc.)
- Repair or Replacement of Clarifiers
- Repair or Replacement of Disinfection System
- Repair or Replacement of Sludge Dewatering Equipment
- Replacement of Chemical Feed Equipment (Tanks, pumps, etc.)
- Repair or Replacement of SCADA system

WHAT CAN BE FUNDED?

- Major Repairs, Upgrades to New Technologies, Increases (or Decreases) in Capacity
- **Water Distribution Improvements**
 - Replacement of Water Distribution/Transmission Lines
 - Repair or Replacement of Distribution Valves
 - Repair or Replacement of Ground/Elevated Storage Tanks
 - Repair or Replacement of Booster Pumps
 - Replacement or Addition of Chemical Feed Equipment (Tanks, pumps, etc.)

WHAT CAN BE FUNDED?



- Major Repairs, Upgrades to New Technologies, Increases (or Decreases) in Capacity
- **Wastewater Collection Improvements**
 - Replacement of Wastewater Collection Lines
 - Repair or Replacement of Manholes
 - Repair or Replacement of Lift Stations
 - Replacement or Addition of Chemical Feed Equipment (Tanks, pumps, etc.) for Odor Control

MAJOR FUNDING PROGRAMS

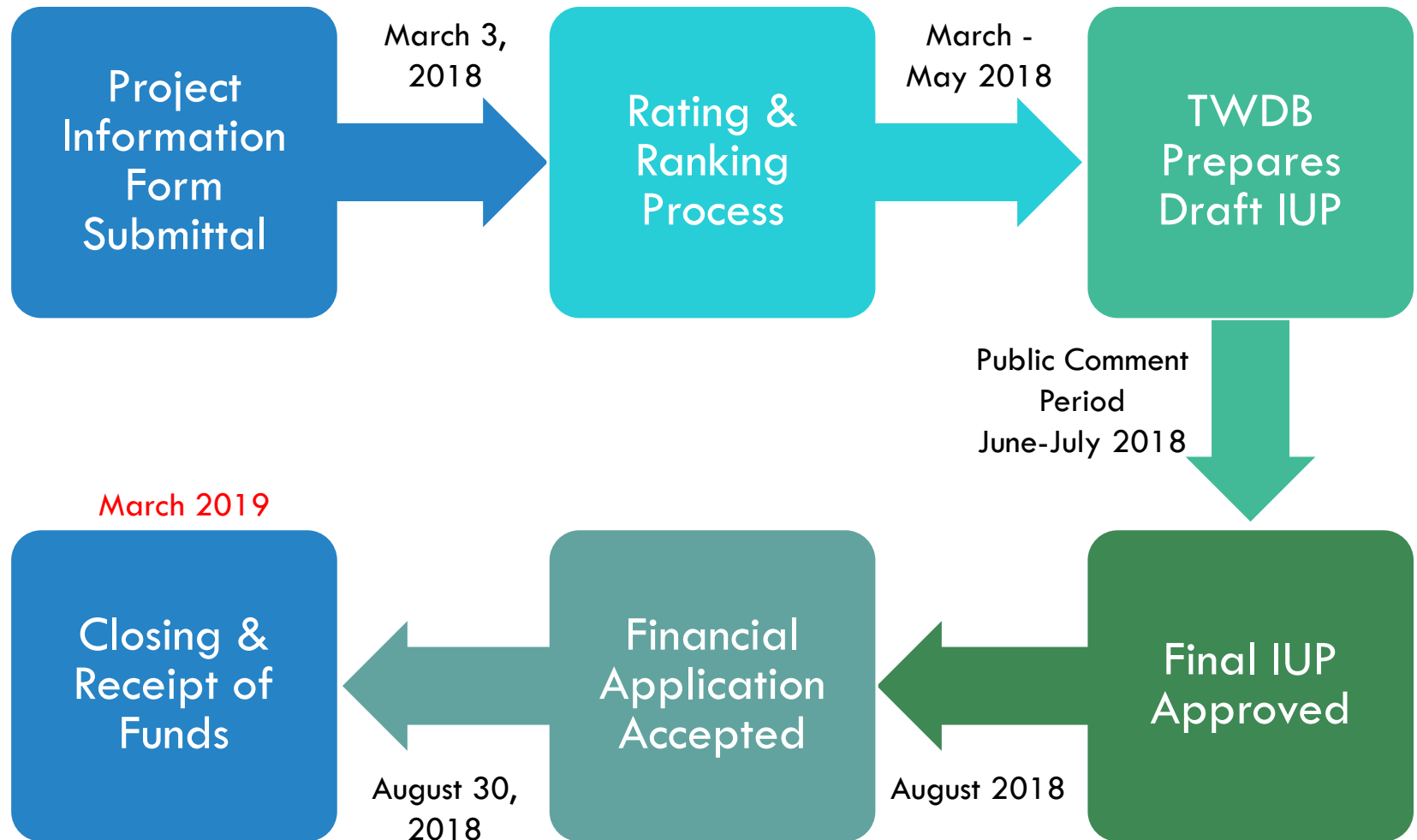
- Texas Water Development Board (TWDB)
- ORCA-HUD – Texas Community Development Program (TCDP) and Community Development Block Grant Program (CDBG)
- Texas Department of Agriculture – Office of Rural Affairs (TDA-ORA)
- USDA – Rural Development (RD)
- TDA-RED – CDBG STEP Grant Program
- Open Market



TWDB MAJOR PROGRAMS

- 
- State Revolving Fund Process
 - Drinking Water State Revolving Fund (DWSRF)
 - Clean Water State Revolving Fund (CWSRF)
 - Economically Distressed Areas Program (EDAP)
 - Rural Water Assistance Fund (RWAF)
 - Water Infrastructure Fund (WIF)
 - Development Fund (Dfund)
 - Small Communities Fund
 - State Water Implementation Fund for Texas (SWIFT)
- 

SRF APPLICATION PROCESS



TWDB SRF PROGRAM

- SRF Projects are commonly funded in two phases
 - Planning, Acquisition and Design (PAD)
 - Construction (C)

- Pre-Design Funding Option
 - Design, Permits and Environmental complete (or can be completed within one funding year)
 - TWDB is also using for rehab projects

NEW

- Multi-year commitments!
- New environmental clearance requirements

TWDB SRF PROJECT RATING

➤ CWSRF Rating Criteria - Wastewater

- Impacts to water quality
- Public Health
- Affordability
- Effective Management

➤ DWSRF Rating Criteria - Water

- Public Health and Compliance
- Ground and Surface Water Vulnerability
- Affordability
- Effective Management

TYPICAL TWDB CWSRF FUNDING

Funding Option	Amount
TOTAL FUNDS AVAILABLE	\$200-300 million
Mainstream Loans	\$200-300 million
Disadvantaged Communities Subsidy	\$8-10 million
Green Project Subsidy	\$1-2 million

TYPICAL TWDB DWSRF FUNDING

Funding Option	Amount
TOTAL FUNDS AVAILABLE	\$100-200 million
Disadvantaged Communities Subsidy	\$8-10 million
Small Communities System Subsidy	\$2,000,000
Green Project Subsidy	\$1-2 million

TWDB SMALL COMMUNITIES SYSTEMS FUNDING

- Up to 100% in loan forgiveness
- Not to exceed \$200,000 per project
- Project must address a water quality or quantity issue
- System to serve no more than 1,000 in population
- TCEQ Technical Assistance

TWDB DISADVANTAGED ELIGIBILITY

- Entire Service Area or Portion of a Service Area
- Service area must be $\leq 75\%$ of the State's Annual Median Household Income
- Household Cost Factor
 - If serving water OR sewer only, must be $\geq 1\%$
 - If serving water AND sewer must be $\geq 2\%$

TWDB GREEN PROJECTS

- Four Categories of Green Projects
 - Green Infrastructure
 - Water Efficiency
 - Energy Efficiency
 - Environmentally Innovative
- Green Projects are either Categorically Green or require a Business Case
- Green % > 30% of Total Project Costs
- 15% Subsidy (\$150,000 of each \$1,000,000)

TWDB ECONOMICALLY DISTRESSED AREAS PROGRAM (EDAP)

- Provides financial assistance to provide water and wastewater services to economically distressed areas where services do not exist or systems do not meet minimum state standards.
- The city or county where the project is located must adopt Model Subdivision Rules for the regulation of subdivisions prior to application for financial assistance.
- Projects must be located in an economically distressed area where median household income is not greater than 75% of the median state household income.
- Applicants eligible for 50% grant and up to 100% grant with the issuance of a Nuisance Finding

TWDB RURAL WATER ASSISTANCE FUND (RWAFF)

- RWAFF is designed to assist small, rural utilities in obtaining low-cost financing for water and wastewater projects.
- RWAFF offers tax-exempt equivalent interest rate loans with long-term finance options.
- Eligible borrowers are defined as "rural political subdivisions." They include nonprofit water supply corporations, districts, municipalities serving a population of 10,000 or less, and counties in which no urban area has a population exceeding 50,000.
- Rural political subdivisions may also partner with a federal agency, state agency, or another rural political subdivision to apply for funding.

TWDB DEVELOPMENT FUND (DFUND)

- Dfund is a state funded loan program that does not receive Federal subsidies and is not subject to federal crosscutters.
- DFund enables the Board to fund multiple eligible components in one loan to borrowers, e.g. an application for funding of water and wastewater components can be processed in a single loan.
- Eligible applicants include all political subdivisions of the State (at tax exempt rates) and nonprofit Water Supply Corporations (at taxable rates). Political subdivisions include cities, counties, districts and river authorities.

TWDB STATE WATER IMPLEMENTATION FUND FOR TEXAS (SWIFT)

- Funding goal - \$800 million per year
- Low interest loans, longer repayment terms, deferral of loan payments (no grants)
- At least 20% of SWIFT to support water conservation
- At least 10% of SWIFT to support projects serving rural communities

ORCA-HUD TCDP-CDBG

- TCDP-CDBG Funds - \$200,000 – 250,000
- Application is for two-year cycle
- 51% of utility Annual Median Household Income must be less than 80% of area AMHI
- Programs normally require 10+% matching funds (the higher the better for ranking)

TEXAS DEPARTMENT OF AGRICULTURE

➤ Programs

- Texas Capital Fund - \$50,000 – 150,000
- Community Development Fund - \$75,000 – 800,000 (every 2 years)
- State Office of Rural Health – Up to \$2,000,000 for rural hospitals
- Programs normally require 10+% matching funds (the higher the better for ranking)

US DEPARTMENT OF AGRICULTURE - RD

➤ Rural Development Program

- Similar in funding approach to TWDB SRF except that it can cover more civil improvements
- Primarily loan program, with 40-year term
- Program requires completion of design and bidding to release engineering funds, so this must be considered carefully!

CDBG – STEP PROGRAM

➤ Small Towns Environment Program

- Client must be able to provide labor/materials \geq 40% of project cost to be eligible
- Maximum grant – \$350,000

INFORMATION NEEDED TO IDENTIFY PROJECTS

Water Issues

- Water loss from water lines (close to 25%)?
- TCEQ/EPA violations – DBPs, Nitrate, Arsenic, Chlorine, Turbidity, Fluoride, Radionuclides
- Capacity issues?
- Pressure issues?
- Supply issues?
- Metering issues?

INFORMATION NEEDED TO IDENTIFY PROJECTS

Wastewater Issues

- Issues with lift stations?
- High I/I in collection system?
- Manhole or wastewater line issues?
- Contamination issues in nearby water wells?
- TCEQ violations – BOD, Ammonia, TSS, DO, pH?
- Sludge issues?
- Capacity issues?
- Operating cost issues?

INFORMATION NEEDED TO IDENTIFY PROJECTS

Developing information on potential project

- Number of feet of pipe lines
- Type of plant processes
- Number and type of tanks or pumps

Collect documentation of need

- Non-compliance violations, previous reports

FOR MORE INFORMATION...



Please Contact Jessica England, Marketing Director
at (325) 698-5560 or jessica.England@e-ht.com

(Jessica will connect you with the appropriate funding coordinator at eHT)